

**LOUISIANA CLERKS OF COURT INSURANCE TRUST  
BOARD OF TRUSTEES MEETING  
WEDNESDAY, MAY 17, 2007  
BATON ROUGE, LOUISIANA**

President Jim Martin called the meeting to order.

**MEMBERS PRESENT:** President Jim Martin, Michael Thibodeaux, Edmond Kinler, Dot Lundin, Diane Broussard, Pat Gladney, Bill Hodge, Lanell Landry, Ann Johnson, Bubbie Dupont and Bud Bergeron. Also present: Debbie Hudnall, Acting Director and Lloyd Campisi, Insurance Consultant. Guest present: Cliff Dressel.

Edmond Kindler made a motion that the Insurance Trust be amended to state that the Immediate Past President shall serve as a member of the Louisiana Clerks of Court Insurance Trust Board of Trustees if he is a member of the Insurance Trust. The motion was seconded by Bill Hodge. Motion carried.

The President called upon Insurance Consultant Lloyd Campisi to give his report. Mr. Campisi reported that he had attempted to do his due diligence and that he had spent 2 hours with the Hunt Group who were very professional, cordial and pleasant to work with.

**ATTACHMENT 1:** Mr. Campisi reported that the Board needed to look at two aspects of the proposals:

1. The fixed costs – it represents 20% of the total costs
2. Claims Amount – how they arrived at that number  
Expected claims are a subjective analysis, and it is merely a guess as to how many claims the plan will have.

Part of the Hunt report in dispute is as to which network is the best. He said that there was no question in his mind that Blue Cross Blue Shield has deeper discounts, but he didn't know exactly how much that was so all he could do was guess.

Mr. Campisi stated the purpose of having a consultant is to avoid paying commissions, although we could not avoid paying commissions to FARA because in 2002, when we went out for bid, we did not restrict the re-insurer from paying commissions to TPA's. He said currently there was a commission being paid to FARA, but that Mr. Golemi had asked him to inform the Board he is now willing to waive his 5% commission.

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FARA's proposal has a \$1.4 million annualized fixed costs as opposed to \$1.6 million for Blue Cross. Additionally, Aggregate Accommodation in which the plan has always had, although we have never reached it, was not included in the Blue Cross plan so he added an additional \$32,580 to the \$1.6 million. Terminal Liability Insurance was also not included in the Blue Cross Proposal and Mr. Campisi thought it was a state requirement, but the Hunt Group did not think it was a State requirement. Randy Zinna had been asked to verify this information. He said that costs should be another \$20,000 to \$30,000. Mr. Campisi said it therefore appears that the Blue Cross fixed cost would be \$259,934 more than FARA's fixed costs, but either proposal would be a significant savings because we are currently paying \$2,029,339 to FARA.

When Mr. Campisi was asked if he had asked the Hunt Group if their costs could be reduced by not having them do the monthly billing to the clerks, he said he didn't know anything about that. President Martin asked if part of the difference in the fixed costs was the different level of service provided by the Hunt Group over what FARA currently provides. Mr. Campisi said that FARA could offer the same services.

Pat Gladney stated that we had met 4 times and he felt that our consultant had been hampered from doing his job because he didn't have all of the information. He felt that it was a mistake by letting the Hunt Group send out the RFP's instead of our consultant. He didn't know if any more explanation was going to help the Board make a decision at this time and he felt we should go ahead and vote on it.

Cliff said he had three questions for Mr. Campisi:

1. Is it your understanding that if we go with Blue Cross – if we have a claims problem or claims question, do we deal with the Hunt Group or Blue Cross?

Mr. Campisi responded that Mr. Hunt was very clear on that, the Hunt Group will be able to help you with any problem with Blue Cross.

2. If we go with Blue Cross, is it your understanding that our premiums will not go up for the next 12 months?

Mr. Campisi responded that is not correct because you cannot fund the maximum liability. He said that the Hunt Group did not include the run-in which is \$1.2 million that the plan will have to pay unless the clerks fund the plan at \$11.5 million in premiums the plan would not be able to pay it all.

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President Martin stated the only way we are being able to pay the run-in from last year in this year's plan is because of the special assessments.

3. Do you agree with the Hunt Group that we would get \$1.2 million surplus paid into our fund because of the discounts Blue Cross gets?

Mr. Campisi responded no, that is salesmanship. He said that was only a projection – the Hunt Group is guessing. Mr. Campisi stated he would give the Hunt Group the benefit of the doubt and said the discounts will amount to about 5%.

Mr. Campisi stated that he thought the Hunt Group was capable and will do a good job, but when you make changes there will be disruptions and members will not have their cards. He said if we stayed with FARA the members would not have to have new cards.

Mike Thibodeaux stated that he thought he remembered the Hunt Group stating there would be no increase in premiums in order to fund the maximum amount. Mr. Campisi stated that was based on the expected claims and that it was a guess.

After much discussion, Cliff Dressel moved that the Louisiana Clerks of Court Insurance Trust accept the Hunt Group's proposal with Blue Cross Blue Shield with Excess Re as the re-insurer. Motion seconded by Michael Thibodeaux. Roll call vote: Yeas: Michael Thibodeaux, Edmond Kinler, Dot Lundin, Diane Broussard, Pat Gladney, Bill Hodge, Lanell Landry, Ann Johnson, Bubbie Dupont, and Cliff Dressel. Nays: Bud Bergeron. Motion carried.

President Martin thanked everyone for their hard work and said we need to work on this process in the future. He apologized for becoming over enthused at times, but thanked everyone for their calm and steady guidance.

Cliff Dressel thanked Mr. Campisi for his hard work.

Diane Broussard moved to adjourn. Motion seconded by Lanell Landry.

Respectfully Submitted:

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Debbie D. Hudnall  
Acting Director