

**LOUISIANA CLERKS OF COURT INSURANCE TRUST  
BOARD OF TRUSTEES MEETING  
THURSDAY, MARCH 8, 2007  
BOSSIER CITY, LOUISIANA**

President Cliff Dressel called the meeting to order at 9:00 AM. Ann Johnson gave the invocation followed by the Pledge of Allegiance by Pat Gladney.

**MEMBERS PRESENT:** President Cliff Dressel, Jim Martin, Mark Graffeo, Vernon Rodrigue, Diane Broussard, Pat Gladney, Bill Hodge, Lanell Landry, Ann Johnson, Bubbie Dupont and Bud Bergeron. Also present: Debbie Hudnall, Acting Director; Lloyd Campisi, Insurance Consultant; and Randy Zinna, Attorney. Absent: Ed Kinler

**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:** President Dressel informed the Board that he along with Jim Martin, Mark Graffeo, Hart Bourque, Debbie Hudnall and Randy Zinna had met with the Attorney General Foti on February 28th to discuss AG Opinion 06-0114. This opinion, which was released on November 9, 2006, stated that the payment of all or any portion of the employee contribution to the retirement fund would be additional compensation to the Clerk which would be part of the maximum salary. He informed the Board that the group presented the clerks' point of view on the issue. President Dressel thought it was a very good meeting and that the General had agreed to review the opinion and would let us know during the week of March 12<sup>th</sup> – 16<sup>th</sup> if there would be any amendments to this opinion.

**FINANCIAL REPORTS: (Attachment 1)** Treasurer Mark Graffeo asked the Board to review November and December and he would be happy to answer any questions. As of January 31, 2007, he reported the fund had about \$300,000 in certificates of deposits, \$29,971 in accounts receivables for the special assessment, and a \$287,754 re-insurance re-imbursement receivable. Under liabilities, he reported Claims Payable of \$498,838. Total capital of the fund is \$402,711. Mark informed the Board that it appeared we had a net profit of \$120,862 as of January 31<sup>st</sup>, but he reminded the Board that included part of the special assessment and if that were not included, we would have about a \$600,000 net loss. Mark reported the claims expense for the year is \$4.8 million less reimbursements of approximately \$500,000. The claims contributions for the year are \$3.7 million plus the special assessment. He reported that the Operating Fund had an approximate \$15,000 profit as of January 31<sup>st</sup>.

Louisiana Clerks of Court Insurance Trust  
Board of Trustees Meeting, March 8, 2007  
Page 2

Mark reported that as of February 28<sup>th</sup>, three parishes had not paid the special assessment for a total of \$10,109. Motion was made by Bill Hodge to receive the financial reports. Motion seconded by Bubbie Dupont. Motion carried.

NEW BUSINESS: Debbie reported that at the last Board of Director's meeting a motion was made that the Association pay a stipend to Attorney Randy Zinna, for the extra work that he had been performing on behalf of the Clerks, in the amount of \$4,500. This amount was to be shared equally by all 3 Boards and each Board would reimburse the Association for the payment. Debbie had asked the Retirement Board to consider reimbursing the Association for 60% of the stipend and the Insurance Trust and Board of Directors to pay 20% each. The Retirement Board voted to pay 60% of the stipend or \$2700. Motion was made by Bill Hodge that the Insurance Trust Board reimburse the Association for 20% of the stipend which would be \$900. The motion was seconded by Bud Bergeron. Motion carried.

Debbie advised the Board that John Hunt had reviewed the insurance on the Association office, its operations and activities. He noted that there was a \$500,000 Employee Fidelity/Dishonesty bond on each of the 3 entities and he thought only one bond was necessary and suggested that we ask our auditor. Michelle Cunningham and Randy Zinna both agreed only one bond was necessary. The Board authorized Debbie to make the necessary changes.

Randy Zinna informed the Board of the letter dated January 24, 2007, from John Hunt, with Hunt Insurance, in which he was informing the Board of the "Failure to Fund" exclusion in the Fiduciary Responsibility Liability insurance policy. This is not a new exclusion, but he just wanted to make sure the Board was aware of it. Randy informed the Board that they were funding claims as required.

**COMMENTS BY INSURANCE CONSULTANT** (Attachments 2, 3, and 4) Prior to the Insurance consultant giving his report, Jim Martin made a presentation to the Board. He informed the Board that according to an article in The Advocate on March 7<sup>th</sup> that the State of Louisiana was in the process of dropping FARA for some 35,000 state employees. He expressed his concern on the impact it might have on how FARA does business. He reported that he and Debbie had met with FARA on Monday, but that topic was not discussed. He advised the Board that what did come out of that meeting was that we needed to make sure the plan the clerks offer is the best program that we can afford to provide for the employees and retirees. Jim recommended to the Board that the Board go out for bid for the new fiscal year. Mr. Campisi informed the Board that

Louisiana Clerks of Court Insurance Trust  
Board of Trustees Meeting, March 8, 2007  
Page 3

it had been 3 or 4 years since they had gone out for bids for insurance, although FARA contacts reinsurers each year to get competitive proposals for the reinsurance part of the contract.

Bill Hodge informed the Board that there was an article in his paper yesterday that said that Monroe School System had also dropped FARA which is about 3000 employees.

Jim informed the Board that it has come to his attention on tax returns of the Insurance Trust prepared by the auditors that FARA had received a commission from Zurich, our reinsurer, in the amount of \$79,646 and Mr. Campisi had received a commission from Met Life in the amount of \$17,693. He stated that for the 7 years he has been on the Board that it was his understanding that Mr. Campisi worked for the clerks and that he was not paid by the insurance companies. Jim reported that he had met with Mr. Campisi about this issue and that Mr. Campisi had an explanation on his behalf. Jim advised that Board that it concerned him that FARA negotiated with Zurich on behalf of the clerks and had also received a commission from Zurich.

Mr. Campisi responded that he was the consultant for the clerks and worked for the clerks. He said that 4 or 5 years ago when the clerks went out for bid for insurance, the RFP stated that we wanted all bids received without commission and the bids did so indicate. He reported that the first 2 years that Met Life paid him no commission, but if you place a certain block of business with an insurance company you gain the status of a "Preferred Broker" and became entitled to receive a bonus. When all of his clients placed their insurance with Met Life he began to receive the bonus. Mr. Campisi informed the Board that he had disclosed this bonus to Mrs. Massey and she said she would inform the President of the Association. Mr. Campisi said he suppose the inappropriate behavior on his part was not disclosing it to the entire Board himself. He did not feel that he could go on with his relationship with the Clerks, if the Board did not have confidence in him. Mr. Campisi stated that he would be happy to tell Met Life to disregard the bonus, but then at that point he would like to entertain some discussion about raising his fees. Mr. Campisi said he had made a mistake, but he thought he had fixed it. After much discussion, Jim Martin moved to go into executive session. The motion died for lack of a second.

After further discussion, Vernon Rodrigue moved that a copy of Schedule A of the 5500 Tax Form be furnished to each Board member. Motion was seconded by Mark Graffeo.  
Motion carried.

Louisiana Clerks of Court Insurance Trust  
Board of Trustees Meeting, March 8, 2007  
Page 4

(Attachment 5) Mr. Campisi distributed a copy of the Self-Funded Report from FARA showing the net claims from July 1, 2006, through February 28, 2007, of a little over 4 million dollars. He also stated that he was continuing to work on getting Mrs. Brock's hospital in the plan. He further disclosed to the Board that he had been contacted by the Northeast Insurance Association about hiring him to get clerks to join their insurance program. He reported that this group wanted to bust up the Clerk's Insurance Trust and they were actively marketing it in 18 parishes. Jim asked if we should ask this group for a proposal. Mr. Campisi felt we should leave no stone unturned and would be awaiting instructions from the Board. He reported that Mr. Golemi had been asked for the necessary data to go out for bid and was in the process of working on it.

President Dressel appointed the following Insurance Committee to proceed in going out for bid: Jim Martin, Chairman; Mark Graffeo, Pat Gladney, Lanell Landry, Vernon Rodrigue, Diane Broussard, Lloyd Campisi and Debbie Hudnall.

Debbie informed the Board that St. Landry Parish had asked for their claims experience for the past year and half and that she had received it from FARA. She asked for authorization from the Board to release the information and was granted the authority to forward the information to St. Landry Parish.

Bubbie Dupont moved to adjourn, motion seconded by Lanell Landry.

Respectfully Submitted:

---

Debbie D. Hudnall  
Acting Director