**Town of Simsbury Insurance Committee**

**SPECIAL MEETING MINUTES**

**Wednesday, October 19, 2016 at 7:30AM**

**Simsbury Town Offices – Board of Education Conference Room, 2nd Floor**

**933 Hopmeadow Street, Simsbury, Connecticut**

**PRESENT:**  Paul Mikkelson, Chris Peterson, Edward Sparkowski, Eric Wellman;

Simsbury Public Schools Business Manager Burke LaClair,

Director of Administrative Services Tom Cooke,

Employee Benefits Coordinator Eric Gomes.

**ABSENT**: Todd Burrick, Eric Wellman.

**ALSO PRESENT**: Kateryna Lagun.

The meeting was called to order at 7:38AM.

**MOTION:** Mr. Peterson, Mr. Wellman second**,** to approve the June 22, 2016 Minutes; unanimously approved.

**MOTION:** Mr. Peterson, Mr. Wellman second**,** to approve the 2017 Meeting Schedule; unanimously approved.

**1. EMPLOYEES BENEFITS UPDATE:**

**A. Robert Lindberg – Arthur J. Gallagher & Co.**

Mr. Robert Lindberg appeared before the Committee, distributing the usual reports containing the running history on the claims experience as well as an added page on rolling enrollment. He noted that more and more of the bargaining agreements starting to emphasize the high deductible health plan so he included the added sheet showing the added migration.

On a year to date basis, at three months, claims on a gross reported basis in the running report are up about 8% at almost $3M for the quarter, according to Mr. Lindberg. He explained that part of that is due to two claimants, with $350K on two individuals. Mr. Lindberg noted that if one person was backed out for the purposes of comparing to last year where there was just one in the same time frame, then the Town is basically flat in year over year on an adjusted basis.

Mr. Lindberg reported that while some decline in the number of total enrollees in the program is being seen, there was a bit of a bounce back in September which would be expected. He noted that they are seeing this decline with most public employers over the last two to three years. Mr. Lindberg attributed this to a combination of a few things such as the economic climate containing new positions and more people moving off the self-funded program into the Medicare options either by choice or by bargaining agreement once they hit age sixty-five. Another possibility is what his company has observed in the case of new hires, especially with new teacher hiring on the Board of Education side, is that their children, up to age twenty-six, are not going on their own employers’ plan but instead staying on parents’ program as long as they can.

With regard to the end of the prior fiscal year, at June 30, 2016, he reported just under $11M in actual gross paid claims. He noted that this was right on target with what was expected for the year.

Mr. Lindberg reported that he will be following up with Finance Director Sean Kimball about the status of the fund balance through the audit.

He noted that medical trends in the market place are still rather consistent with where they were at last meeting. Mr. Lindberg noted that the marketplace is continuing to see continued consolidation among vendors both on the provider side as well as on the insurance side. For example, he noted that Yale was recently approved to merge with Morrison Memorial with many things like that having impact on members depending on how contracts play. CT Prime, the stop loss insurance carrier that was established by several organizations including Simsbury, was launched on July 1, 2016 and at ninety days is right on track with the expectations, according to Mr. Lindberg. He noted that the purpose of the CT Prime was to build an insurance platform for the members wherein they could capture the value of their good claims experience within their stop-loss arrangement, similar to what is done when an underlying health plan is self-funded. Mr. Lindberg noted that the result will likely be more stable pricing, better overall protection, and better quality of the underlying contract. Discussion followed regarding processes that will develop if other communities are to be added as well as which communities currently comprise the thirteen-member group.

Mr. Lindberg reported that the Town is looking at its last payment on the ACA Reinsurance fee.

With respect to moving closer towards 2017, Mr. Lindberg reported that several bargaining units are in negotiations currently and benefit conversations will be part of that. He noted that they are gearing up for the Health Plan Competitive Market Review, explaining that it will be three years in July, 2017 since the program has been consolidated and that now is a good time to look at it again. He noted that he thinks it was a good decision in that it has worked out financially and administratively.

Mr. Lindberg reported that they are in the process of marketing the life and disability insurance, noting that the renewal came in higher than expected. He explained that through negotiations, they were able to get it adjusted and deferred but will still be comparing it out in the market.

Mr. Peterson questioned whether satisfaction surveys were completed by enrollees of the high deductible plans. Mr. Lindberg reviewed some possible reasons why people may experience dissatisfaction with that plan including not anticipating having to pay the whole deductible, or not realizing that there is some paperwork involved with the plan. Mr. Lindberg noted that more and more preventative services are being included though. It was noted that the staff is being educated about the long-term benefits of the heath savings accounts.

**2. PROPERTY CASUALTY INSURANCE ISSUES:**

**A. Carol Fitzsimons – CIRMA.**

Ms. Carol Fitzsimons appeared before the Committee, noting that she brings stable news with very few changes. She noted that this stability is exactly what is being sought.

She provided members with the loss runs with the Worker’s Compensation with little to report since the numbers only cover through the end of September. Her report also included claim counts, explaining that the jumps are really only being seen on the Board of Education portion as it has been strongly encouraged to have staff report each and every assault. Ms. Fitzsimons explained that they want to see the assaults because it can be a very valuable tool. It was clarified that these are incidences but not necessarily paid incidences. Reporting of claims was discussed by the Committee. Ms. Fitzsimons noted that Simsbury’s overall loss experience is very good.

She briefly reviewed the type of claims, including a recent employment practice claim. Mr. Peterson questioned whether the claims seen tend to be incident based or practice/policy based. Ms. Fitzsimons explained that they tend to be all over the place. Mr. Cooke reported that the two that he has seen in his tenure were incident based.

Ms. Fitzsimons reported that CIRMA has put in place a free service wherein for one hour per month, a town or Board of Education can call a legal hotline where they can receive employment practice liability advice.

Ms. Fitzsimons reviewed what has been undertaken in terms of risk management including an e-learning tool to aid in training, cyber liability, and drone coverage.

The member equity distribution back to Simsbury was reported as $37,513.

Ms. Fitzsimons requested that the Committee let her know what they would like to see in terms of coverage. It was noted that any new ideas that other communities are doing which she might be able to share with this Committee would be appreciated.

**3. OTHER INSURANCE MATTERS:**

The meeting adjourned at 8:52AM.

**Respectfully submitted,**

**Pamela A. Colombie**

**Commission Clerk**