

From: SimsburyCT Postings 6/30/10 11:17:17 AM
Subject: Insurance Commission Minutes 06/23/2010
To: SimsburyCT_InsMin
Cc:

TOWN OF SIMSBURY
INSURANCE COMMITTEE
MINUTES OF REGULAR MEETING
June 23, 2010

The meeting began at 7:30 AM. Attending were committee members Ed Sparkowski, Stan Cataldo, Paul Mikkelson, Nick Mason, and Chris Peterson. David Holden, Board of Education Business Manager, Burke LaClair, Board of Education Assistant Business Manager, Bob Lindberg of Lindberg & Ripple, and Carol Fitzsimons of CIRMA were also in attendance.

EMPLOYEE BENEFITS UPDATE

Bob Lindberg highlighted the group's medical claims experience through 11 months of the fiscal year ending June 30, 2010 with an estimated 20% increase in claims over FY2008-09. The magnitude of increase was not unexpected and looks higher due to the unusual decrease in claims that took place in FY2008-09 following FY2007-08. The number of contracts has been consistent at just under 800, but dependents are being added. Our group members tend to be either on the older or younger end of the spectrum, with very few in the middle at the so called average age. While we have been fortunate to build the fund balance recently, Bob recommends against the temptation to "tap into" this reserve.

Paul Mikkelson asked about the possibility of consolidation of dental insurance carriers and addition of a DMO. The Board of Education offers Metlife Dental, while the Town also offers CIGNA in conjunction with CIGNA health insurance. In general he would like to see the committee focus more time discussing what we can do differently and/or what is missing from our health plans, similar to discussion with CIRMA.

Nick Mason asked if there were insurance items to be pursued during the upcoming round of collective bargaining with the teachers. He wondered if there would be an opportunity to move people to Connecticare. Dave Holden responded that the focus will be more on wages. Bob Lindberg confirmed that over the last 2 years, most arbitrations are focusing on wages and

work rules.

Chris Peterson asked Lindberg and Ripple to provide information to the committee on the types creative changes that have been made in other Towns that we can consider.

Ed Sparkowski believes that wellness is the major area that can be emphasized.

Paul Mikkelsen advocated the Eligibility Audit concept the Bob Lindberg mentioned, and also proposed inviting the head of CIGNA healthcare, a Simsbury resident, to an insurance committee meeting in an effort to get upper management excited about working on our behalf. Chris Peterson asked if there are free items/services that our carriers already provide that we have yet to take advantage of?

Bob Lindberg suggested that at the September meeting, he can provide information on what they have done with private sector clients.

Stan Cataldo asked Bob what that impact is on the Town from incentive programs to employees to get a health club membership. Bob explained that the return on investment is difficult to calculate for these wellness initiatives. The initial impact is seen in productivity and absenteeism, not in claims data.

Dave Holden informed the committee that the BOE was administering an on-line to employees on wellness and the results will be available for the next IAC meeting.

Regarding legislation on health care, Bob Lindberg advised that there are 2 new Connecticut laws of interest:

Connecticut Pooling – No guidance from the comptroller yet if you can keep your current plan design, but use the State's purchasing contract
Municipal Pooling – CCM and CROG may try to build a platform.

At the Federal legislative level, Bob shared the following update:

Mental Health Parity – guidance was received and the BOE and Town are complying as of 7/1/10

Age 26 dependent converge – The BOE and Town are deferring until 7/1/11

ERRP – The BOE and Town are pursuing application for reimbursement from the Federal government for certain insurance claims expenses for retirees under age 65.

“Grandfathering” of our plan – guidance issued to date has been more strict than expected. Even a change in carrier triggers a loss in grandfathered

status under healthcare reform. There are 5 carriers left in the CT market and health reform compliance will be a factor. Several states are down to only 2 carriers.

PROPERTY CASUALTY INSURANCE UPDATE

Carol Fitzsimons provided the committee with the LAP loss analysis and WC loss experience. Currently there are 2 GL claims, 1 property claim, and one BOE WC claim that will show up in the report at the next meeting. CIRMA will be issuing a dividend, and the specific % should be announced in March and will be given out in July 2011 by check, not premium reduction. Carol also highlighted the TULIP program for one-time events by third party tenant users of our facilities that do not have liability coverage. With the departure of MIRMA, there are 2 competitors left in the CT market: Trident, which is using Argonaut, as well as the Traveler's. Regarding legislative updates, Carol said the proposed WC legislation regarding psychological trauma (the so-called "Chimp Law") did not pass. Regarding renewal premiums, all are flat.

OTHER BUSINESS

Dave Holden advised the committee members that Ray Wahl, Jonathan Yeisley, and Bob Asensio have left the committee and requested that committee members let him know if they have any suggestions for new members.

The meeting was adjourned at 9:00 AM.

David P. Holden, Business Manager
Simsbury Public Schools